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George Cross News Letter

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NEW NADINA EXPLORATIONS LTD.

[NNA-V] 6,525,115 SHS.

NEW GOLD ZONE DISCOVERED - George O.M. Stewart, president, New Nadina Explorations Ltd., reports a large area containing anomalous gold in rocks has been discovered one km southwest of the known vein systems at the 100%-owned Silver Queen property near Houston, BC. A 3,000-foot diamond drill program is underway to test this new area of favourable geology, intense alteration and gold mineralization.

The area was identified through a recently completed alteration study. Proven gold zones were shown to correlate with the presence of high alumina illite. The large unexplored area south of the vein system was tested and proved to be similar clay alteration.

Preliminary rock sampling in this area revealed highly anomalous gold values up to 0.6 oz/ton from narrow zones, and to 562 ppb (0.02 oz/ton) over greater than 10 metres in silicified volcanics. This is particularly significant in that it is the first gold discovered outside the vein systems. The new bulk tonnage target will be tested by a three stage drilling program.

Encouragement in this new area, in conjunction with known ore reserves in the south end of the No 3 vein, (440,000 tons of 0.24 oz. gold/ton, 11.7 oz.silver/ton with 7.6% zinc) could quickly warrant a production decision for the Silver Queen Mine. The vein system potential is open with additional reserves to be developed. Initial testing suggests metallurgy in the south zone is favourable.

Current funding is provided partially by related company **KETTLE RIVER RESOURCES LTD.** [KRR-T], which bought 400,000 units at 25¢ each with warrants exercisable at 32¢ until Dec. 1996. By exercising the warrants Kettle River Resources could own 12% of the issued shares of New Nadina. Kettle River Resources is manager of the program. New Nadina intends to finance the second drill program by way of a flow-through private placement. (SEE GCNL NO.61, 26Mar96, P.3 FOR PREVIOUS SILVER QUEEN PROJECT INFORMATION)

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